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SRI LANKA

Plentiful Payoff from Plastic

Women cash in on an innovative value added waste trading program...



“Before this project we could not even dream of saving five rupees but now we have already saved more than 10,000 rupees.”

Kusumawathie - An active participant in waste trading

Kusumawathie is a 65-year-old mother of three living in a small village near Galle in southern Sri Lanka. Her husband works as a lottery ticket seller, but his income is often not sufficient to meet the family's needs. Like many Sri Lankan women, Kusumawathie and her daughter used to spend the majority of their time at home, with limited opportunities to earn income or participate in community activities. Families like Kusumawathie's often must resort to short-term loans from local shopkeepers when an urgent need for money arises – at interest rates of up to 60 percent annually. This leads to a cycle of indebtedness that leaves many families mired in poverty.

Fortunately for Kusumawathie's family, the Arthacharya Foundation (AF), with support from donors including USAID, introduced a project in Galle District to make towns cleaner while generating needed income. AF organized women into small collective groups and showed them how to collect, clean, sort and sell plastic and paper to recyclers. Each participant starts by saving a minimum of 5 rupees per week, which is pooled with other women's savings to create a small credit system. Under this system, low interest loans are provided to members, which normally take only a few months to repay.

USAID helped increase the value and sustainability of the project by providing financial support to establish a recycling unit which turns plastic waste into pellets – increasing the value of the plastic from Rs. 3.50 per kilogram to between Rs. 8 - 55 per kilogram.

Although Kusumawathie initially had concerns about the stigma associated with collecting garbage, she was able to see the potential benefits and joined the project. She began collecting plastics daily from a stretch of beach near her home, and after the recycling unit was installed, her earnings increased significantly. Today she earns more than Rs. 2,500 (\$25) a month.

This was a significant turning point for a woman who previously never had any personal savings. The steady income has allowed her to meet her family's needs, including buying clothes and school books for her grandchildren. The project also provided her a loan of Rs. 45,000 (\$450) that she has used to help her son restart his business after the tsunami.

Of the 100 families in Kusumawathie's village, 86 are now members of the project. Her village is one of the participating communities that has contributed to a well-established credit fund, with a nearly 100 percent loan repayment rate. Project activities have also contributed to increased social harmony in villages.

Solid waste for municipal collection has also decreased by 15 percent. Through the project, female participants have gained important personal finance and leadership skills. Kusumawathie says she has become more independent and confident, and willing to express her views at public meetings. She now works hand in hand with her husband to provide for the family and improve their wellbeing and standard of living.